BRITISH COLUMBIA

BC STATS

Service BC
Ministry of Labour & Citizens' Services

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 06-06 February 10, 2006

- **Unemployment rate stays at 5.1% in January**
- **BC product exports rise 10.0% in 2005**
- **Housing starts continue to seesaw**

Labour Force

- **British Columbia's unemployment rate held steady at 5.1% (*seasonally adjusted*) in January.** There was little change in overall labour market conditions, with the number of jobs remaining at about 2.167 million and the size of the labour force edging up only marginally (+0.1%) from December. Residents of the province continued to enjoy one of the best job markets in the country. BC's unemployment rate was well below the national average (6.6%) and lower than in any other province except Alberta (3.5%) and Manitoba (4.3%).

  The Canadian jobless rate inched up 0.1 percentage points to 6.6% in January, as unemployment rates increased in Ontario, Quebec and Newfoundland. *Data Source: Statistics Canada*

- **In BC, the number of people with jobs showed little change for the second month in a row, as employment gains in the service sector (+0.8%) were offset by a reduction in the number of people working in goods industries (-3.0%).** Manufacturing (-1.0%) and construction (-6.7%), the biggest employers in the goods sector (accounting for eight out of every ten jobs), had fewer people on their payrolls. In the service sector, job growth was most pronounced in the management & administration (+8.0%), transportation & warehousing (+4.9%) and education (+4.0%) industries, as well as miscellaneous services (+5.6%).

  Data Source: Statistics Canada

- **Among the regions, Northeast (3.7%, *3-month-moving average, unadjusted*) continued to have the lowest unemployment rate in the province, while neighbouring North Coast/Nechako (9.4%) had the highest incidence of unemployment.** Kootenay's jobless rate (6.4%) was also high compared to other regions. Cariboo (5.8%) and Vancouver Island/Coast (5.4%) were the only other regions where the average unemployment rate was more than five percent. The unemployment rate in Lower Mainland/Southwest was 4.6%; in Thompson/Okanagan, it was 4.1%.

  Data Source: Statistics Canada & BC Stats

- **Vancouver's unemployment rate rose to 5.4% (*seasonally adjusted*) in January, as the number of people with jobs dropped 2.2%.** In Victoria, the job market remained robust, and the unemployment rate continued to improve. It was 3.6% in January, the second-lowest rate observed since 1987 (the first year for which data is available). Victoria's lowest jobless rate (2.4%) was recorded just a few months ago, in June 2005. *Data Source: Statistics Canada*

The Economy

- **BC product exports increased 5.9% (*seasonally adjusted*) in December, as exports to overseas destinations soared (+20.2%), offsetting a downturn in the demand for most BC products south of the border (-1.1%).** Exports of BC energy products overseas were up 95.9%, accounting for much of the increase in shipments to countries other than the US. Forest product exports rose 4.2%, largely because shipments to the US increased (+6.2%) in December. US-bound exports of all other major commodity groups were down from November levels.

  Canadian exports surged, rising 3.9% to $41.3 billion. Energy exports rebounded (+11.2%), accounting for nearly half of the total growth in exports. Excluding energy, exports would have been up just 2.0%. Exports to the US rose 3.9%, with even stronger growth in shipments to the EU (+5.6%) and Japan (+20.3%).

  Data Source: Statistics Canada & BC Stats

Report Room revenues at BC hotels

Did you know...
Canadian men who celebrate Valentines Day are more likely (65%) than women (57%) to buy cards for their sweethearts *Data Source: Ipsos Reid Poll*

- **The number of housing starts in the province continued to seesaw in January, dropping 6.1% after posting an 11.8% gain at the end of last year.** BC, Alberta (-2.6%) and Newfoundland (-3.7%) were the only provinces where starts were down in January. Nationally, starts rose (+6.6%) for the third month in a row.

Data Source: CMHC

- **The cost of new housing in BC's biggest cities continued to climb in December, rising 8.5% (relative to December 2004) in Victoria, and 4.5% in Vancouver.** Land prices (+15.9%) were a major factor in the Victoria area, where the value of land used for new housing has increased by about ten percent during each of the last three years. Nationally, the new housing price index rose 5.9% during the twelve-month period ending in December. Residents of Calgary faced the biggest increase (+18.8%).

Data Source: Statistics Canada

- **The value of building permits issued by BC municipalities jumped 30.6% (*seasonally adjusted*) in December, as planned spending on residential (+40.2%), industrial (+32.4%) and commercial (+21.4%) projects increased.** However, permits for institutional and government projects were down 26.4% from November.

Data Source: Statistics Canada

2005 in Review

- **BC product exports increased 10.0% during 2005, rising to $34.1 billion.** This was well above the national average (+5.7%), but lower than in the energy-producing provinces of Alberta (+18.5%), Saskatchewan (+13.8%) and New Brunswick (+13.0%). Although energy played a key role in the strong export growth recorded in many provinces, PEI (+19.9%), which produces no energy, posted the strongest export growth last year. Consumer goods and agriculture exports were up significantly in that province. The value of Canadian exports increased 5.7% last year, despite a 2.2% decline in international shipments of auto products. Canadian exports to China rose 6.4%, led by increases in Newfoundland iron ore, BC copper ore, and Saskatchewan potash.

Data Source: Statistics Canada

- **During 2005, the value of building permits issued in the province increased 28.0%, rising to $10.2 billion.** This was nearly 17% of the national total ($60.7 billion, up 9.3% from 2004). Planned spending increased in all parts of the province, but the strongest gains were made in the less populated regions of the province. Building permits were up more than eighty percent in North Coast (+92.4%) and Nechako (+80.6%). Cariboo (+68.8%), Thompson/Okanagan (+60.3%) and Kootenay (+51.2%) all posted increases of at least fifty percent. Municipalities in Northeast (+40.8%), Vancouver Island/Coast (+31.9%) and Mainland/Southwest (+18.8%) recorded smaller, but still significant, increases in the value of building permits sold during 2005. *Data Source: Statistics Canada*

- **Planned spending on residential projects contributed to the strong growth, but the biggest increase was in permits for commercial projects, up 53.6% from 2004, and institutional and government buildings (+88.6%).** Permits for institutional and government buildings increased 85.0% in Mainland/Southwest, to well over half a billion dollars. The total value of permits for these projects was just shy of the $1 billion mark in 2005. The value of commercial building permits was $1.9 billion, and permits were issued for $7.0 billion of residential building projects. *Data Source: Statistics Canada*

Tourism

- **Canadian hoteliers surveyed at the beginning of the year expect occupancy rates to remain solid, with nearly half (48%) saying they will stay the same and 31% saying they will rise.** Thirty-four percent predict that room rates will rise, compared to 13% who think they will drop. However, nearly one in four (24%) expect a shortage of unskilled labour to be a problem, with a slightly lower number (21%) expecting to have trouble finding skilled labour. Excess room supply (23%) and general economic conditions (20%) were also cited as potential impediments to business. *Data Source: Statistics Canada*

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Did you know...
Canadian men who celebrate Valentines Day are more likely (65%) than women (57%) to buy cards for their sweethearts *Data Source: Ipsos Reid Poll*

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Infoline Report

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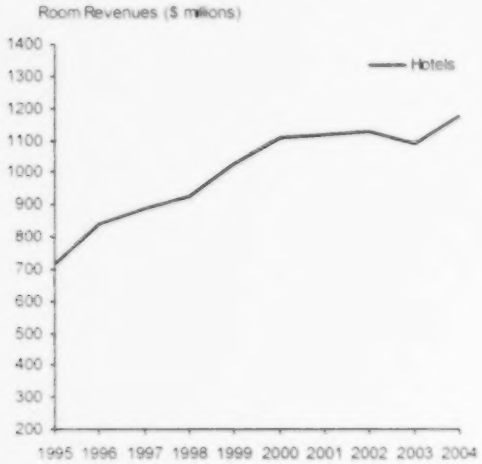
Originally published in *Tourism Sector Monitor* Issue 05-12. Annual Subscription $60 +GST

Room Revenues at BC Hotels

BC's hotel industry is the biggest source of the province's room revenue growth – nearly 75% of revenues originate from hotels. After seeing only marginal growth in room revenues between 2000 and 2002, and a decline of 3.1% in 2003, BC's hotel industry picked up speed and contributed more than $1.1 billion to the province's total room revenues in 2004, up 7.6% over 2003.

Room revenues picking up speed at hotels in 2004



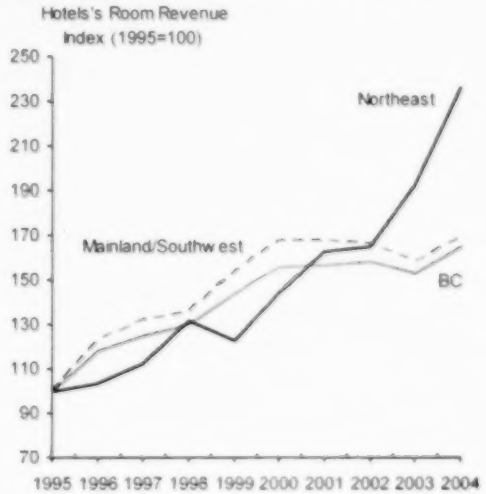
Source: BC STATS

Although hotels' share of the total room revenues went down from 75.1% in 1995 to 73.7% in 2004, room revenues at all hotel establishments jumped sharply (+64.9%) between 1995 and 2004, and continued an upward trend in the first eight months of 2005, posting a 3.3% growth relative to the same period in the previous year.

Growth reported at hotel establishments in most regions

All regions in BC except Nechako (-5.0%) reported growth in overall room revenues at hotel establishments between 1995 and 2004, with Northeast recording the largest growth (+135.8%). The solid revenue increases at hotels in the two largest regions, Mainland/Southwest (+69.5%) and Vancouver Island/Coast (+46.5%), accounted for about 70% of the BC's total hotel growth.

Room revenues growing faster at Hotels in Northeast than the rest of the province

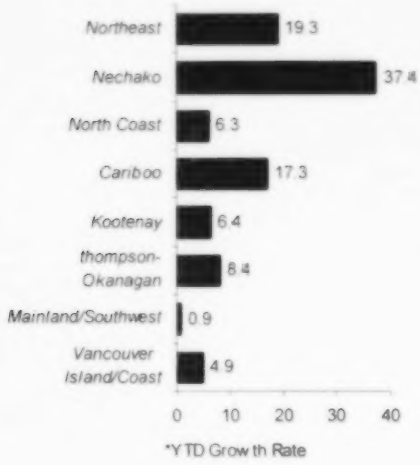


Source: BC STATS

In the first eight months of 2005, most regions maintained solid growth in room revenues at hotels compared to the same period in 2004. Nechako posted the most significant increase of 37.4%, and showed a strong recovery from the year-over-year fall (-4.2%) in hotel receipts in 2004. Hotels in Northeast (+19.3%) and Cariboo (+17.3%) fared well too. In addition, BC's biggest regions, Mainland/Southwest (+0.9%) and Vancouver Island/Coast (+4.9%),

were busier and contributed to the overall increases in the province's hotel room revenues.

Nechako posting strongest growth in revenues at hotels in the first eight months in 2005



**YTD: year-to-date indicates the growth year in the first eight months of 2005 compared to the same period in 2004*

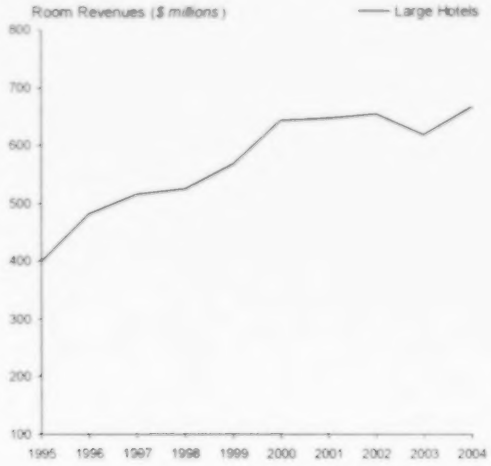
Data Source: BC STATS

Large Hotels

Room revenues at hotels with more than 150 rooms comprised about 55% of the total hotel receipts, and recorded noticeable growth since 1995—room revenues were up 67.4% between 1995 and 2004. In 2004, revenues increased 7.7% at large hotels, recovering from a fall (-5.4%) in 2003.

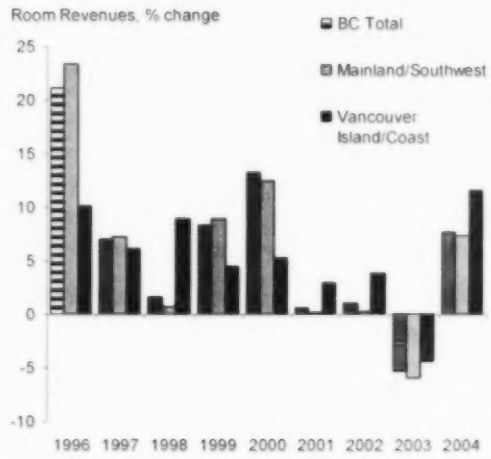
Most of the large hotel establishments (150+ rooms) are located in the Vancouver Island/Coast and Mainland/Southwest regions. Large hotels in the Vancouver Island/Coast region recorded an 11.5% increase in revenues, outperforming BC (+7.7%) as a whole and Mainland/Southwest (+7.3%).

In 2004, large Hotel establishments recovered from the 2003 fall in room revenues



Data Source: BC STATS

Large hotels in Vancouver Island/Coast outperformed the rest of BC in 2004

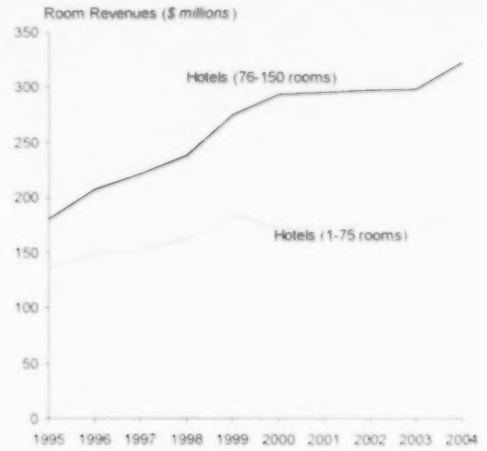


Data Source: BC STATS

Other Hotel Establishments

Despite the drops in room revenues at most hotel establishments in 2003, mid-size hotels (76-150 rooms) did not follow the same trend. Business at those hotels appeared to be lacklustre between 2000 and 2003; however, room revenues climbed 8.2% in 2004 and continued to grow 5.6% in the first eight months in 2005 relative to the same period in 2004.

Mid-size hotels vs. Small hotels



Data Source: BC STATS

Among all hotel establishments, small hotels with less than 75 rooms reported the weakest increase (+6.6%) in room revenues in 2004. In fact, business at small hotels showed the least significant growth of 38.0% between 1995 and 2004. However, in the fist eight months of 2005, room revenues at small hotels recorded the largest growth (+8.3%) among all hotel establishments relative to the same period in 2004.

Infoline

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fax transmission information service from **BC STATS**

Email transmission information service from **BC STATS**

also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Oct 1/05	% change on one year ago
BC	4,271.2	1.3
Canada	32,378.2	1.0
GDP and INCOME		
(BC - at market prices)	2004	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	157,241	7.7
GDP *($ 1997 millions)*	139,205	4.0
GDP *($ 1997 per Capita)*	33,129	2.8
Personal Disposable Income *($ 1997 per Capita)*	20,182	1.4
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Nov	3,666	1.8
Merchandise Exports - Dec	3,197	5.9
Retail Sales - Nov	4,288	0.7
CONSUMER PRICE INDEX		12-month avg
(all items - 1992=100)	Dec '05	% change
BC	125.7	2.0
Canada	128.1	2.2
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Jan '06	prev. month
Labour Force - BC	2,285	0.1
Employed - BC	2,167	0.0
Unemployed - BC	118	1.6
		Dec '05
Unemployment Rate - BC *(percent)*	5.1	5.1
Unemployment Rate - Canada *(percent)*	6.6	6.5
INTEREST RATES (percent)	Feb 8/06	Feb 9/05
Prime Business Rate	5.25	4.25
Conventional Mortgages - 1 year	5.85	4.80
- 5 year	6.45	6.05
US/CANADA EXCHANGE RATE	Feb 8/06	Feb 9/05
(avg. noon spot rate) Cdn $	1.1536	1.2510
US $ *(reciprocal of the closing rate)*	0.8696	0.8001
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Jan '06	one year ago
BC	720.31	1.7
Canada	718.57	3.5

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Economic Accounts (GDP)

Statistics Canada now provides free access to a broad range of national and provincial economic accounts (Gross Domestic Product) data.

The **System of National Economic Accounts** module provides an up-to-date portrait of national and provincial economies and their structure, based on an integrated, internationally recognized set of economic accounting concepts.

Labour force statistics

http://www.statcan.ca/english/nea-cen/index.htm

LFS revisions 2005

On Wednesday, January 25th, Statistics Canada released revisions to the labour force survey data. We are working to update all the LFS files on our site this cannot be completed until after Statistics Canada publishes the annual CD product.

Labour force statistics

http://www.bcstats.gov.bc.ca/data/lss/labour.asp

Consumer Price Index 2005

With the release of the December 2005 monthly consumer price index came an update of the annual series. BC Stats publishes several documents featuring long time series of the highest level Canada, British Columbia, Vancouver and Victoria data.

http://www.bcstats.gov.bc.ca/ [continued]
data/bus_stat/econ_stat.asp

Released this week by BC STATS

- Labour Force Statistics, January 2006
- Earnings & Employment Trends, January 2006

Next week

- Tourism Sector Monitor, January 2006
- Exports, December 2005
- Quarterly Regional Statistics, 4th Quarter 2005

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